



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ralph J. Caccia, Esq.
Akerman Senterfit, LLP
The Victor Building
750 9th Street NW
Suite 750
Washington, DC 20001

AUG 9 2010

RE: MUR 6246
Porter for Congress and Chrissie Hastie,
in her official capacity as treasurer

Dear Mr. Caccia:

On January 28, 2010, the Federal Election Commission ("the Commission") notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On July 14, 2010, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Porter for Congress, and Chrissie Hastie, in her official capacity as treasurer, violated 2 U.S.C. §§ 441f, 441a(f), or 441b(a). Accordingly, on July 29, 2010, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Wanda D. Brown, the attorney assigned to this matter at (202) 694-1650.

Sincerely,

Peter G. Blumberg by Stephen Gure

Peter G. Blumberg
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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6 **RESPONDENTS:** Charles C. Brennan MUR: 6246
7 Dollar Loan Center, LLC
8 Robert Brennan
9 Judi Brennan
10 Bruce Cooley
11 Carla Cooley
12 Porter for Congress and Chrissie Hastie,
13 in her official capacity as treasurer
14

15 **I. INTRODUCTION**

16 This matter was generated by a complaint filed with the Federal Election Commission by
17 Kjelden Cundiff, alleging violations of the Federal Election Campaign Act of 1971, as amended
18 (the "Act"), by Charles Brennan, Dollar Loan Center, LLC, Robert Brennan, Judi Brennan,
19 Bruce Cooley, Carla Cooley, and Porter for Congress and Chrissie Hastie, in her official capacity
20 as treasurer.

21 **II. FACTUAL AND LEGAL ANALYSIS**

22 **A. Background**

23 The complainant is a former employee of Dollar Loan Center where he was the
24 company's National Director of Compliance. He claims that in October 2008, while employed
25 by Dollar Loan Center, his supervisor, Charles Brennan, called him and asked that he and his
26 wife each contribute \$2,300 to the Porter for Congress Committee (the "Committee"), the
27 principal campaign committee of Jon C. Porter, Sr., a candidate in the 2008 election for United
28 States Representative from Nevada's 3d Congressional District. The contributions were to
29 coincide with a visit by candidate Porter to the Dollar Loan Center stores. Brennan allegedly
30 offered to reimburse the complainant and his wife with cash for the contributions, and also

1 indicated that other individuals, including Brennan's parents, "were doing it as well." The
2 complainant states that he told Brennan that he was not sure of the legality of the request, and
3 asked if he could instead draw a check from the corporate account for the contributions.
4 According to the complainant, Brennan explained that there is a "maximum amount that could be
5 donated by an individual" and that "writing a check from the Dollar Loan Center operating
6 account was not an option." The complainant says that when he refused to make the
7 contributions, Brennan became agitated and stated that he would "get somebody else to do it."

8 Although the complainant did not participate in the alleged reimbursement scheme, he
9 speculates that Brennan may have reimbursed his parents, Robert and Judi Brennan, as well as
10 Bruce Cooley, the president of Dollar Loan Center, and his wife, Carla Cooley, for contributions
11 they made to the Committee on October 21 and 27, 2008.¹ The complainant infers that Charles
12 Brennan reimbursed these four individuals because Brennan had offered the complainant a
13 reimbursement for a contribution to the Committee during the same time period that the
14 individuals made their contributions, and because Brennan had told him that his parents and
15 other individuals "were doing it as well." In addition, the complainant questions whether the
16 alleged conduits would have contributed to the Committee absent a reimbursement because none
17 of the four individuals had ever before contributed to a federal political committee and each gave
18 the maximum individual contribution of \$2,300 to the Committee. The complainant also deemed
19 suspicious the fact that Bruce and Carla Cooley reside in South Dakota, outside of the candidate's

¹ The complainant learned of the contributions by reviewing Committee disclosure reports filed with the Commission. Our own review of the Committee's disclosure reports reveals that no other contributor to the Committee identified as being a Dollar Loan Center employee.

1 Congressional district located in Nevada. Finally, the complainant states that the Committee's
2 disclosure reports incorrectly name Robert and Judi Brennan as owners of Dollar Loan Center.²

3 In responses to the complaint, submitted on February 22, 2010, and supplemented on
4 April 30, 2010 in response to a request for clarification, counsel for Charles Brennan, Dollar
5 Loan Center, and the alleged conduits claims that the allegations are speculative, and likely the
6 retaliatory action of a disgruntled former employee.³ Counsel explains that Charles Brennan has
7 a history of financially supporting candidates aligned with his business interests, and that not
8 only did Brennan himself make the maximum allowable contribution to Porter's Committee, he
9 also encouraged his family, friends, and business partners to contribute to the Committee if they
10 had the financial ability to do so. Brennan admits that he asked the complainant to contribute to
11 the Committee, but denies that he offered to reimburse the complainant with either personal or
12 Dollar Loan Center funds.⁴

13 Counsel also states in his original response that his firm conducted an internal
14 investigation into the allegations and concluded that neither Brennan nor Dollar Loan Center
15 reimbursed the conduits. In the supplemental response, which was submitted in response to a
16 request for clarification, counsel stated that the investigation included interviews with Charles

² In its 2008 Post-General Election Report, the Committee notes that employer information for Robert and Judi Brennan was "requested." In an amendment to that report filed in January 2009, the employer is listed as "Dollar Loan - owner" even though Brennan's parents do not own and are not employed by Dollar Loan Center. The Committee does not address this apparent mistake in its response to the complaint.

³ Respondents claim that after the complainant resigned from Dollar Loan Center in October 2009, he attempted to extort money from Brennan, and began filing "complaints against the company with various institutions, including MUR 6246 with the FEC." Respondents did not specify the types of complaints, and this Office could find no publicly available information regarding complaints filed with any other agency or institution.

⁴ The response also addressed the complainant's claim that the contributions made by Bruce and Carla Coeey are suspicious by virtue of the fact that the Coeys are not residents of Nevada, stating that Federal candidates often solicit and receive contributions from outside of the relevant district, and that such contributions are not in violation of the Act.

1 Brennan and the alleged conduits, as well as a review of relevant business documents and
2 records.⁵

3 The original response included sworn affidavits from the alleged conduits stating that
4 they had not been “offered reimbursement” for their contributions to the Committee. In response
5 to the request for clarification, the conduits filed supplemental affidavits stating that not only had
6 they not been “offered reimbursement” for the contributions, but also that they did not “receive”
7 advance payment or reimbursement for their contributions to the Committee from any person or
8 entity. In his own original sworn affidavit, Charles Brennan attests that he did not offer any
9 individual reimbursement for contributions to the Committee. In a supplemental affidavit,
10 Brennan denies reimbursing the complainant for any contribution to the Committee. Further,
11 counsel states that “to be clear, based upon our interviews and reflected in the affidavits, no
12 payments were offered, made or received in connection to a donation to Mr. Porter’s
13 congressional campaign.”

14 **B. Contributions in the Name of Another**

15 The Act prohibits any person from making or accepting a contribution in the name of
16 another person. *See* 2 U.S.C. § 441f. Likewise, persons are prohibited from knowingly
17 permitting their names to be used to effect contributions made in the name of another person and
18 from knowingly assisting in making such contributions. *See id.*; 11 C.F.R. § 110.4(b)(1)(iii).

⁵ Counsel noted that they conducted a review of “relevant, but confidential, business documents and records to assist in their investigation.” He did not specifically identify the business documents and records reviewed during the course of his investigation or indicate whether they reviewed the financial records of Dollar Loan Center or those of Brennan and the individuals he solicited. He states that he took guidance from “Recommended Practices for Companies and Counsel.” This Office reviewed the document, approved by the Board of Regents, American College of Trial Lawyers, in February 2008. The document offers guidance on organizing and conducting investigations into business practices, including organizational strategies, choosing relevant documents, interviewing witnesses, and building a record of the investigation.

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1 The Act also makes it unlawful for any candidate, political committee, or other person to
2 knowingly accept or receive a contribution in the name of another. 2 U.S.C. § 441f.

3 In addition to potential liability for making contributions in the name of another, if
4 Brennan used Dollar Loan Center funds to reimburse the contributions, Brennan and the Dollar
5 Loan Center would have violated the Act's prohibition on corporate contributions or
6 alternatively, the Act's contribution limitations. *See* 2 U.S.C. §§ 441b(a) and 441a.⁶
7 Corporations are prohibited from making contributions from their general treasury funds in
8 connection with any election of any candidate for federal office, and candidates are similarly
9 prohibited from knowingly accepting such contributions. *See* 2 U.S.C. § 441b(a). The Act also
10 prohibits any officer or director of any corporation from consenting to any contribution by the
11 corporation. *See id.* In the alternative, if Brennan used personal funds to reimburse conduits for
12 contributions, he would be liable for making excessive contributions to the Committee, in
13 violation of 2 U.S.C. § 441a. The Act also prohibits any candidate or political committee from
14 knowingly accepting any contribution in violation of the contribution limits set forth in section
15 441a of the Act. 2 U.S.C. §§ 441a(f).

16 The complaint's allegation in this matter that Brennan "appears" to have reimbursed
17 contributions to Porter for Congress is premised on the assertions that (1) Brennan solicited the
18 complainant for a contribution to Porter for Congress and offered to reimburse the complainant
19 in cash if he would make the contribution, and that (2) Brennan stated that "his mom and dad and

⁶ As a limited liability company, Dollar Loan Center is subject to the prohibition against corporate contributions or the Act's contributions limitations, depending on whether it elects to be treated as a partnership or corporation by the Internal Revenue Service. 11 C.F.R. § 110.1(g). If treated as a partnership, and if it reimbursed the alleged conduit contributions in excess of \$2,300, it is possible that Dollar Loan Center made an excessive contribution to the Committee in violation of 2 U.S.C. § 441a. 11 C.F.R. § 110.1(e). If Dollar Loan Center elected tax treatment as a corporation, it may have made a corporate contribution in violation of 2 U.S.C. § 441b(a).

1 a bunch of other people were doing it as well.” The complaint offers no information or firsthand
2 knowledge regarding whether the alleged reimbursements to the Brennans and the Cooeys
3 actually occurred, except to note that the Brennans and the Cooeys made contributions to Porter
4 for Congress at or about the same time that Brennan solicited the complainant, that each of them
5 made the maximum individual contribution of \$2,300 to the Committee, none of them had ever
6 before contributed to a federal political committee, and the Cooeys reside in South Dakota,
7 outside the candidate’s Congressional district located in Nevada.

8 The responses and affidavits, on the other hand, are very specific that the Brennans and
9 the Cooeys did not receive reimbursements or advance payments from Brennan or Dollar Loan
10 Center for their contributions. Although it is unclear whether the internal investigation
11 conducted by counsel included a review of both the financial records of the Dollar Loan Center
12 and Brennan’s personal financial records, *see supra* n. 5, counsel has represented that they
13 reviewed relevant records and interviewed Brennan and each of the alleged conduits and
14 determined that there was no evidence of any advance payments or reimbursements, and the
15 conduits state in sworn affidavits that they did not receive an advance payment or reimbursement
16 from Brennan, Dollar Loan Center, or any other person or entity. We have no information to the
17 contrary. Further, the complaint is not entirely clear on exactly what Brennan allegedly told the
18 complainant. As described in the complaint, Brennan’s alleged statement that his parents and
19 other individuals “were doing it as well” is ambiguous in that the statement could mean that the
20 others would be making contributions or, as the complainant appears to have interpreted the

1 statement, it could mean that the others would be making contributions and receiving
2 reimbursements from Brennan.⁷

3 Although the circumstances in this matter raise questions as to whether reimbursements
4 of the contributions occurred, in light (1) the lack of specific information in the complaint that, if
5 true, would support the inference that the alleged reimbursements, in fact, occurred; (2) the
6 sworn denials; and (3) the representations of counsel regarding the results of their internal
7 investigation, the Commission has determined that there is no reason to believe that Charles
8 Brennan and Dollar Loan Center, LLC, violated 2 U.S.C. §§ 441f, 441a(a), or 441b(a) by making
9 contributions in the names of others or by making excessive or prohibited contributions to Porter
10 for Congress; no reason to believe that Robert Brennan, Judi Brennan, Bruce Cooley, and Carla
11 Cooley violated 2 U.S.C. § 441f by knowingly permitting Charles Brennan to make contributions
12 in their name to Porter for Congress; and no reason to believe that Porter for Congress and
13 Chrissie Hastie, in her official capacity as treasurer, violated 2 U.S.C. §§ 441f, 441a(f), or
14 441b(a) by knowingly accepting contributions in the names of others or knowingly accepting
15 excessive or prohibited contributions.

⁷ *Cf.* MUR 5504 (Karoly). In MUR 5504, the Commission made reason to believe findings, authorized an investigation into the alleged reimbursement scheme, and ultimately entered into a conciliation agreement with the respondents even though all of the alleged conduits but one submitted identical affidavits claiming they had not been reimbursed for the contributions. The complaint offered what appeared to be firsthand knowledge of the violations, claiming to have witnessed a reimbursement made to an employee and to have seen company checks made out to alleged conduits, and claiming that one of the alleged conduits, who had not submitted an affidavit, had admitted to him that her contribution was reimbursed.